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## Australia

## Stone Fruit

## Annual

## 2006

**Approved by:**

Kathleen Wainio, Agricultural Counselor  
U.S. Embassy

**Prepared by:**

Mike Darby, Agricultural Specialist

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**Report Highlights:**

Australian peach and nectarine production is forecast to remain unchanged at 110,000 MT through CY 2008. Plum production is also forecast to remain unchanged through CY 2008 at 34,000 MT. The lack of an import protocol for Taiwan (for all states except Tasmania and South Australia) will likely constrain production and exports. Cherry production and exports remain far more buoyant however, as do cherry imports.

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Annual Report  
Canberra [AS1]  
[AS]

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**SECTION ONE: SITUATION AND OUTLOOK****General**

The Australian stone fruit harvest typically runs from December to April with the bulk of harvest occurring in February and March. The forecast period for this report begins in January 2006 and runs through the year beginning January 2008. For the purpose of this report, all fruit harvested in the lead-up to the commencement of the marketing year will be included in the following marketing year i.e., fruit harvested in December 2005 will be included in the year beginning January 2006. For the year beginning January 2006, harvest remains in progress at time of writing this report and no national data sets are available for Australian production of peaches, plums or cherries

Australian stone fruit production has declined in recent years. Persistent drought conditions have seen new plantings fall temporarily while some older stone fruit trees were removed. With the exception of cherries, Post anticipates Australian stone fruit production to remain flat over the forecast period due to a lack of new plantings coming into production. Post anticipates production expansion beyond the forecast period as industry sources suggest new plantings to recommence in earnest in the long term.

Market access for exported stone fruit has recently become a major focus for the Australian stone fruit industry. More specifically, the loss of Taiwan as an export market (for all states except Tasmania and South Australia) in January 2006 has cast a shadow over both production and exports of peaches, nectarines and plums.

Post has assumed average weather conditions over the forecast period. Extreme weather conditions would likely see figures quoted in this report revised accordingly.

**PEACHES****Production**

Australian peach and nectarine production is projected at 110,000 MT in CY 2008, unchanged from the estimate of the CY 2006 crop and the forecast for the CY 2007 crop. Uncertain market access arrangements combined with reduced new plantings in recent years are expected to combine to constrain production over the foreseeable future.

The vast majority of production dedicated to processing is believed to be peaches only, with very few nectarines delivered for processing. Nectarines are typically considered to be a high value stone fruit for fresh consumption, while peach production contains particular varieties suited to, and commonly dedicated to canning.

**Exports**

Australian peach and nectarine exports for CY 2008 are forecast at 4,100 MT, up on the previous year but well below levels reached in recent times. The cessation of exports to Taiwan (with exception to the states of Tasmania and South Australia) has greatly constrained peach and nectarine exports for the foreseeable future. In CY 2005 prior to the cessation of exports to Taiwan, Australian exports of peaches and nectarines reached 7,353 MT with Taiwan accounting for 46 percent.

**Consumption**

Peach and nectarine consumption for CY 2008 is projected at 52,900 MT. Domestic consumption is expected to ease slightly as exports improve from historically low levels.

## **PLUMS**

### **Production**

Australian plum production (including fresh prunes) for CY 2008 is projected at 34,000 MT in CY 2008. Uncertainty over export market access combined with reduced new plantings is likely to see production remain unchanged over the forecast period.

Industry sources report large declines in production in states which are particularly reliant on export markets and are not Queensland fruit fly free such as Western Australia. The exclusion of Australian plums from Taiwan resulted in price declines and unharvested fruit.

### **Exports**

Exports are forecast to grow modestly reaching 6,450 MT in CY 2008. Despite this growth, the projected level remains well below the export level of 7,467 MT achieved in CY 2005, when 1,120 MT of plums were exported to Taiwan.

## **CHERRIES**

### **Production**

Australian cherry production in CY 2008 is projected to reach 11,000 MT. Post has assumed average weather conditions in arriving at this projection. Some industry sources suggest production could be far higher and have projected levels as high as 15,000 MT. Post's assumption of average weather conditions includes some below average weather events, which would likely constrain production to the forecast levels.

The Australian cherry industry has a relatively buoyant outlook despite suffering poorer weather conditions in recent times. The loss of Taiwan as an export market has not constrained production of cherries as it has in other stone fruits.

### **Exports**

Cherry exports are projected to reach 1,600 MT in CY 2008. Exports are expected to grow steadily during the forecast period due to increased production improving the availability of cherries available for export.

### **Imports**

Imports of cherries into Australia are projected at 1,500 MT in CY 2008, an historically high level. The overwhelming majority of imported cherries in Australia are produced in the USA. California cherries are commonly imported from mid May to late June while northwest cherries are commonly imported from mid-June to mid August.

## **POLICY**

### **Exports**

The 2006 year began with Australia losing access to the lucrative Taiwanese export market for stone fruit for all states except Tasmania and South Australia, which are recognized by Taiwan as free of Queensland fruit fly, following the expiration of the export protocol. Australian exports of stone fruit to this destination were valued at A\$15 million and the closure of this market has caused outrage among growers in affected states. According to industry sources, Australian quarantine authorities and industry representatives are currently developing a new proposal which would address the risk of the Queensland fruit fly in imports.

### **Imports**

Biosecurity Australia is currently considering a market access request from the USA for the importation of stone fruit (nectarines, peaches and plums) from California and the Pacific North West States (Idaho, Oregon and Washington) of the USA.

In March 2006, Biosecurity Australia announced that this access request will be considered as a review of existing biosecurity policy, rather than a new request for access. This will save several steps in import risk assessment (IRA) procedures. (See GAIN Report AS6012 for further information). A draft policy report on the review of policy will be prepared and distributed to stakeholders for comment.

## SECTION TWO: STATISTICAL TABLES

<b>PSD Table</b> <b>Fresh Peaches &amp; Nectarines</b>							
	2005	Revised	2006	Estimate	2007	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2006		01/2007		01/2008	MM/YYYY
Area Planted	1995	1950	0	1975	0	1990	(HA)
Area Harvested	0	0	0	0	0	0	(HA)
Bearing Trees	2627	2650	0	2650	0	2650	(1000 TREES)
Non-Bearing Trees	525	250	0	350	0	450	(1000 TREES)
Total Trees	3152	2900	0	3000	0	3100	(1000 TREES)
Commercial Production	140000	110000	0	110000	0	110000	(MT)
Non-Comm. Production	0	0	0	0	0	0	(MT)
TOTAL Production	140000	110000	0	110000	0	110000	(MT)
TOTAL Imports	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	140000	110000	0	110000	0	110000	(MT)
Domestic Fresh Consump	67328	55063	0	54000	0	52900	(MT)
Exports, Fresh Only	5672	3937	0	4000	0	4100	(MT)
For Processing	67000	51000	0	52000	0	53000	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
TOTAL UTILIZATION	140000	110000	0	110000	0	110000	(MT)

<b>PSD Table</b> <b>Fresh Plums &amp; Prunes</b>							
	2005	Revised	2006	Estimate	2007	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2006		01/2007		01/2008	MM/YYYY
Area Planted	1266	1235	0	1235	0	1235	(HA)
Area Harvested	1266	1200	0	1200	0	1200	(HA)
Bearing Trees	1583	1544	0	1550	0	1550	(1000 TREES)
Non-Bearing Trees	1741	900	0	1200	0	1700	(1000 TREES)
Total Trees	3324	2444	0	2750	0	3250	(1000 TREES)
Commercial Production	37000	34000	0	34000	0	34000	(MT)
Non-Comm. Production	0	0	0	0	0	0	(MT)
TOTAL Production	37000	34000	0	34000	0	34000	(MT)
TOTAL Imports	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	37000	34000	0	34000	0	34000	(MT)
Domestic Fresh Consump	25760	22650	0	22600	0	22550	(MT)
Exports, Fresh Only	6240	6350	0	6400	0	6450	(MT)
For Processing	5000	5000	0	5000	0	5000	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
TOTAL UTILIZATION	37000	34000	0	34000	0	34000	(MT)

<b>PSD Table</b> <b>Fresh Cherries, (Sweet&amp;Sour)</b>							
	2005	Revised	2006	Estimate	2007	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2006		01/2007		01/2008	MM/YYYY
Area Planted	1092	1066	0	1092	0	1140	(HA)
Area Harvested	993	969	0	993	0	999	(HA)
Bearing Trees	1987	1938	0	1987	0	2000	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Total Trees	1987	1938	0	1987	0	2000	(1000 TREES)
Commercial Production	9000	9000	0	10000	0	11000	(MT)
Non-Comm. Production	0	0	0	0	0	0	(MT)
TOTAL Production	9000	9000	0	10000	0	11000	(MT)
TOTAL Imports	1672	1500	0	1500	0	1500	(MT)
TOTAL SUPPLY	10672	10500	0	11500	0	12500	(MT)
Domestic Fresh Consump	9178	9000	0	9950	0	10900	(MT)
Exports, Fresh Only	1494	1500	0	1550	0	1600	(MT)
For Processing	0	0	0	0	0	0	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
TOTAL UTILIZATION	10672	10500	0	11500	0	12500	(MT)